

## UNITED STATES DISTRICT COURT

for the

Southern District of Texas

JAN 27 2015

David J. Bradley, Clerk

United States of America

v.

Larry Norton  
(USC)Case No. *M-15-0082-M**Defendant(s)*

## CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of November 11, 2014 in the county of Hidalgo in the  
Southern District of Texas, the defendant(s) violated:*Code Section**Offense Description*18 USC 1956(a)(1)(B)(i)  
18 USC 1956(h)Money Laundering  
Conspiracy to Commit Money Laundering

This criminal complaint is based on these facts:

See attachment A

☒ Continued on the attached sheet.*Brian Stone*

Complainant's signature

Brian Stone, Special Agent, FBI

Printed name and title

Sworn to before me and signed in my presence.

Date:

*January 27, 2015*  
*4:01 pm*

Judge's signature

*Peter E. Ormsby*

City and state:

McAllen, Texas

Peter E. Ormsby, United States Magistrate Judge

Printed name and title

**ATTACHMENT A**

1. On November 7, 2014, members of the FBI's Safe Street Task Force (SSTF) in Fort Wayne, Indiana, conducted a surveillance operation at 4214 Warsaw Street, Fort Wayne, Indiana. This surveillance operation later resulted in a traffic stop of LARRY NORTON (NORTON) transporting a large amount of cash. At approximately 5:22 a.m., TFO Smallwood observed the overhead garage door behind 4214 Warsaw Street open and two unknown individuals were walking around in the alley. At approximately 5:30 a.m., TFO Smallwood witnessed two pickup trucks being moved out of the garage and into the alley, one facing north and one facing south. At approximately 5:46 a.m., TFO Wagner observed a blue pickup truck leave the alley heading northbound. At approximately 5:47 a.m., TFO Martinez witnessed the blue pickup truck pull into the Marathon gas station at 4226 Lafayette Street, Fort Wayne, Indiana, and TFO Smith observed the license plate on the pickup truck as TK272LXO. At approximately 5:51 a.m., TFO Smith observed a black Chevrolet Impala with an unknown female black driver with short hair stop near the blue pickup truck. At approximately 5:53 a.m., the blue pickup truck left the gas station and headed northbound on Lafayette Street. The blue pickup truck was continuously followed to I-69 northbound. At approximately 6:22 a.m., Indiana State Police (ISP) Master Trooper Bradley Shultz initiated a traffic stop on the blue pickup truck near the 329 mile marker on I-69, which is in DeKalb County, for a speeding violation of 72 mph in a posted 55 mph construction zone. ISP Trooper Shultz identified the driver of the blue pickup truck as NORTON.
2. ISP Trooper Shultz immediately noticed the smell of burnt marijuana coming from the interior of the pickup truck and also noticed that NORTON was very nervous, with his hands shaking and with sweat beads forming on NORTON's forehead. NORTON told ISP Trooper Shultz that he was headed to Waterloo to go fishing, although ISP Trooper Shultz did not observe any fishing equipment in the truck. ISP Trooper Shultz ran NORTON's Indiana driver's license and

determined that it was valid but had a disqualified CDL endorsement. ISP Trooper Shultz called for backup and asked NORTON to exit the vehicle. ISP Trooper Shultz asked NORTON why his CDL endorsement was disqualified, and NORTON responded that it was because NORTON had an arrest in Fort Wayne for possession of marijuana. ISP Trooper Shultz asked NORTON if he had any marijuana or weapons in the vehicle, and NORTON replied that he did not and that ISP Trooper Shultz was free to look inside the vehicle. ISP Trooper Shultz found several air fresheners in the center console and noticed that the carpet on the driver's side floorboard appeared to be disturbed. A large wire that did not appear to be a normal part of the vehicle was running underneath the carpet. ISP Trooper Shultz located a spent casing for a .45 round of ammunition behind the back seat near the rear window. ISP Trooper Shultz decided to run his narcotics K-9, Gunnar, around NORTON's vehicle. K-9 Gunnar alerted for narcotics on the rear driver's side tailgate area, the passenger side door area, and on the center console.

3. At this point, ISP Trooper Shultz asked NORTON to move his vehicle from the side of I-69 and drive it off the exit ramp for safety. NORTON complied, and ISP Trooper Shultz decided at this time to apply for a state search warrant for the vehicle. While waiting off the exit ramp at a Marathon gas station for a tow truck to tow NORTON's vehicle, ISP Trooper Shultz was notified by his dispatch that NORTON had a criminal history to include four prior narcotics convictions, three of which included the intent to distribute. At approximately 8:00 a.m., ISP Trooper Shultz notified TFO Martinez that NORTON requested to leave. ISP Trooper Shultz observed a white work truck pick up NORTON and enter the on ramp to I-69 south.
4. At approximately 8:01 a.m., agents observed NORTON as the passenger in a white work truck, Indiana license plate TK634WRA. Agents electronically obtained an Indiana driver's license photograph of the registered owner, James W. LEPPER (LEPPER), and agents positively identified the driver of the white pickup truck as LEPPER.

5. At approximately 8:13 a.m., agents witnessed the white pickup truck exit the Lima exit off I-69 southbound. At approximately 8:15 a.m., TFO Wagner observed the white pickup truck enter the Spiece Fitness Center parking lot, and NORTON exited the truck and entered the front door. TFO Smith observed ALLAN BATES's silver Dodge Caravan parked to the east of the front door, with Indiana license plate ND 2846. At approximately 8:20 a.m., agents witnessed NORTON exit the front door of Spiece Fitness and walk toward the white pickup truck. At approximately 8:21 a.m., SA Stewart observed a black Impala pull into the Spiece Fitness Center parking lot near the white truck. At approximately 8:22 a.m., the white pickup truck left the Spiece Fitness Center parking lot. At approximately 8:25 a.m., agents observed BATES, exiting the front door of Spiece Fitness Center. Simultaneously, the black Impala pulled up behind BATES's Dodge Caravan. BATES walked over to the passenger side of the Impala. At one point it appeared that BATES was shaking his head back and forth, and he threw up his hands before turning and walking back to the Dodge Caravan. The Impala left the parking lot followed by BATES in the Dodge Caravan.
6. On the same date at approximately 11:30 a.m., agents were notified by ISP Trooper Shultz that he had obtained a state search warrant through DeKalb County for NORTON's truck. A systematic search of the truck was conducted. ISP Trooper Meade located two hidden compartments behind each of the back taillights in the truck bed. By removing the taillights, large compartments were discovered that ran the length of the truck bed, and a fabricated bottom had been welded on the bottom of each bed quarter panel. Located inside the hidden compartment on the driver's side were sixteen individual packages wrapped in gray duct tape. Each had a number, either "20" or "15" handwritten with a black permanent marker on the exterior of the package. Four similar packages were removed from the passenger side hidden compartment. The packages were photographed and transported by agents to the FBI office in Fort Wayne. The vehicle was driven to the ISP post on US 24 and placed in the storage pen.

7. On the same date, agents cut open each individual package. The outer layer of all the packages was gray duct tape, and the inner layer was a clear vacuum sealed food saver bag. Each individual package had stacks of U.S. currency that were bound with rubber bands. The handwritten number on the outside of each package represented the amount contained inside each package. For example, if the number "20" was handwritten on the outside of the package, the U.S. currency contained inside the package generally equaled \$20,000. Agents and task force officers counted the U.S. currency and the total amount was determined to be \$400,200.
8. On January 27, 2015, agents of the Federal Bureau of Investigation (FBI) in McAllen, Texas executed a search warrant on the residence at 401 Moorefield Road, Mission, Texas. NORTON was encountered at the residence and stated he had been living there for the past few weeks. He knew the residence as BATES's residence and said he had come down to the house in a rental vehicle. Agents seized bulk currency in the master bedroom of residence wrapped similarly to the money seized from NORTON's truck. One bundle containing apparent United States currency was wrapped in gray duct tape on the outside, and an inner layer of a clear vacuum sealed food saver bag. The stacks of currency on the inside were bound with rubber bands and had a handwritten marking noting "A 100." The other currency was wrapped in a clear food saver bag which had been opened. Rubber bands were wrapped around the stacks of cash as well. Agents have not counted the currency at this time.
9. On January 27, 2015, agents of the FBI in Fort Wayne, Indiana conducted numerous search warrants and arrested JAMES LEPPER (LEPPER). After advising LEPPER of his rights, LEPPER agreed to talk with agents. LEPPER noted that he had picked up NORTON on November 7, 2014, after NORTON was stopped by law enforcement and his truck seized. LEPPER admitted that he owned warehouses in Angola, Indiana which were being used by BATES's drug trafficking organization to store illegal narcotics and bulk currency. The \$400,020 that was seized from

NORTON's truck was intended to be stored at LEPPER's warehouse before being driven to the McAllen, Texas area as payment for a prior narcotic shipment.